Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 22 May 2009

Message Text

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PAGE 01 STATE 175769
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DRAFTED BY EUR/WE/GPFOURIER
APPROVED BY EUR/WE/EMROWELL
EB/IFD/OIA/BBLACK
EUR/WE/DWILSON
----------108462 281055Z /21
R 271852Z JUL 77
FM SECSTATE WASHDC
TO AMEMBASSY LISBON

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E.O. 11652: N/A

TAGS: EINV, CASC, PO

SUBJECT: INVESTOR DISPUTES: EMILE MARGHAB LDA

REF: LISBON 4236

1. MRS. VERA MARGHAB, MAJORITY (97 PERCENT) STOCKHOLDER OF EMILE MARGHAB LDA MET WITH DEPTOFFS AND INCOMING LISBON COMATT WILSON AT HER REQUEST JULY 25 TO DISCUSS FINANCIAL DIFFICULTIES OF FIRM. SHE SAID SHE HAS REACHED FINAL DECISION TO LIQUIDATE MADEIRA OPERATION BUT HAS NO MEANS TO PAY LARGE SUM REQUIRED FOR SEVERANCE OF SEVENTEEN WAGE-EARNERS WHOM SHE STILL EMPLOYS. SHE SAID MARGHAB LDA HAD LOST $30 THOUSAND IN 1975, IS NO LONGER ORDERING ANY NEW RAW MATERIAL AND CURRENTLY PRODUCES GREATLY REDUCED VOLUME OF FINISHED GOODS BY GRADUALLY USING UP LARGE INVENTORY OF RAW MATERIAL ON HAND.

2. MRS. MARGHAB'S ONLY SPECIFIC REQUEST TO DEPTOFFS WAS FOR
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ASSISTANCE IN OBTAINING EXTENSION OF HER PORTUGUESE RESIDENCE/WORK PERMIT. DEPTOFF ADVISED HER THAT EMBASSY WAS ALREADY WORKING ON PROBLEM AND EXPECTED SATISFACTORY SOLUTION WOULD BE FOUND.

3. DEPTOFF ASKED WHETHER FINANCIAL CONSIDERATION DICTATED

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FIRM DEADLINE BY WHICH TIME LIQUIDATION WOULD HAVE TO BE COMPLETED. MRS. MARGHAB SAID SHE HAD NOT YET ARRIVED AT SUCH A TIMETABLE, BUT SAID THAT SHE COULD NOT WAIT FOR NORMAL ATTRITION TO SOLVE EMPLOYEE SEVERENCE PROBLEM SINCE WITH ANY LESS EMPLOYEES THAN AT PRESENT THE FIRM COULD NO LONGER PRODUCE GOODS. SHE LOOKED TO THE EVENTUAL SALE OF THE "CASA MARGHAB" AS THE ONLY HOPE OF OBTAINING NECESSARY FUNDS FOR SEVERENCE PAY.

4. IN ACCORDANCE WITH FOURIER/PASTORINO/WILLIAMS TELECONS, DEPTOFFS ADVISED MRS. MARGHAB THAT EMBASSY COULD BE OF ASSISTANCE IN LIQUIDATION MATTER ONLY IF SHE OR HER ATTORNEY TOOK NECESSARY STEPS TO INITIATE PROCEDURE. DEPTOFF SUGGESTED THAT SHE MIGHT WISH TO HAVE HER PORTUGUESE ATTORNEY DRAW UP LIQUIDATION PROPOSAL FOR PRESENTATION TO CENTRAL GOVERNMENT LABOR DELEGATE IN MADEIRA, INCLUDING LIST OF EMPLOYEES AND CONDITIONS OF EMPLOYMENT. ONCE PROPOSAL HAS BEEN SUBMITTED THROUGH PROPER GOP CHANNEL, EMBASSY WOULD HAVE BASIS TO MAKE APPROPRIATE REPRESENTATIONS ON HER BEHALF IF NECESSARY. MRS. MARGHAB SAID SHE WOULD CONSIDER THIS COURSE OF ACTION, AND EXPRESSED GRATITUDE FOR CONTINUING ASSISTANCE OF EMBASSY AND DEPARTMENT. VANCE

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Message Attributes

Automatic Decaptioning: X
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Channel Indicators: n/a
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Concepts: DISPUTES, INVESTORS
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Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 22 May 2009
Disposition Event:
Disposition History: n/a
Disposition Reason:
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SAS ID: 1731534
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Subject: INVESTOR DISPUTES: EMILE MARGHAB LDA
TAGS: EINV, CASC, PO
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